

July 17, 2002: Commission Urges Senate to Appoint Conferees on Sudan Peace Act

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WASHINGTON - In letters to Senate Majority Leader Thomas A. Daschle and Minority Leader Trent Lott, the U.S. Commission on International Religious Freedom urged the Senate to appoint conferees on the Sudan Peace Act. This was communicated in a meeting with Senator Lott yesterday. The Commission has an outstanding request for a similar meeting with Senator Daschle. The Commission is a federal agency that advises the Administration and Congress. Among the Commission's recommendations on Sudan in both its 2001 and 2002 reports was that foreign companies doing business there be required to disclose the nature of that business in their filings with the Securities and Exchange Commission and that foreign companies doing business in Sudan's petroleum fields be barred from listing in U.S. equity markets. (The reports are available on the Commission's Web site at www.uscifr.gov.) The Commission has found Sudan to be the world's most violent abuser of the right to religious freedom. The terrible civil war there has killed more than 2 million people and displaced up to 5 million. A just peace in Sudan is not possible, the Commission wrote the Senate leaders, unless the Khartoum regime is prevented from using the country's oil revenues to step up its brutal war against the south. The House version of the Sudan Peace Act contains the Commission recommendations referred to above, which would address the oil issue, while the Senate version does not. The House has appointed conferees to iron out the differences in the competing bills, but the Senate has failed to do so. The Commission sent the Senate leaders a summary of its recent testimony on Sudan before the House International Relations Committee. The summary includes then-Chairman Michael K. Young's answers to questions from Committee members, in which he said the capital-market provisions are warranted in the face of a war of genocidal proportions that is facilitated by access to U.S. capital markets.

SUMMARY OF USCIRF TESTIMONY ON SUDAN HOUSE COMMITTEE ON INTERNATIONAL RELATIONS JUNE 5, 2002

Sudan was one of the first countries to become a focus of the Commission. For the past three years, the Commission has found the government of Sudan to be one of the world's most violent abusers of the right to freedom of religion and belief. On May 14, the White House released Special Envoy John Danforth's report on his efforts to end the civil war in Sudan. The Commission was one of the first to call for the creation of a special envoy. The Commission welcomes Senator Danforth's efforts and his willingness to continue to pursue a just and lasting peace in Sudan. Senator Danforth, like the Commission, has found that the development of Sudan's oil wealth has become an increasingly important factor in the intensification of the conflict and one that must be addressed to achieve a just and lasting peace. But Senator Danforth's proposals do not yet point to a serious policy by the Administration to bring peace to Sudan. Khartoum thinks it can win the war, especially with hundreds of millions in oil revenue pouring in. Khartoum currently has no incentive to end the fighting, and neither Senator Danforth nor the Administration has yet pointed to one. The only way to get Khartoum's attention is to curtail its oil revenues - the only asset that is keeping it from bankruptcy. The United States has the means to do so through capital market reforms recommended by the Commission and included in the House-passed version of the Sudan Peace Act. Key provisions would 1) bar any foreign company doing business in Sudan's petroleum fields from raising funds in U.S. capital markets, and 2) require any company doing business in Sudan to disclose the nature of that business in filings with the Securities and Exchange Commission (SEC). The Commission has further recommended that any peace agreement, or in the interim a comprehensive cease-fire, be conditioned on placing the country's oil revenues into an internationally-administered trust fund. These revenues would be expended solely for developmental and humanitarian purposes on an equitable basis in both the north and the south. With such an arrangement, the regime will be far less likely to engage in good faith bargaining over power-sharing. Regimes in Khartoum have time and again manipulated well-meaning peace initiatives, in the process repeatedly making and later breaking solemn promises. It has been five years since both parties agree to the Declaration of Principles under the Inter-Governmental Authority for Development (IGAD). The people of southern Sudan cannot afford another five-year delay. The Commission believes that any peace talks must be based on the IGAD Declaration of Principles. Core among these Principles are self-determination for the South and a secular state that would ensure religious freedom for all individuals, North and South. What is most needed right now is a policy on Sudan. A first step should be for the Bush Administration and the Senate to drop their opposition to a conference committee on the Sudan Peace Act and to accept the House version of the bill. In following Question and Answer session, Chairman Young responded as follows:

To a question by Representative Gilman on the role of religion in the conflict, Chairman Young replied that while there is no doubt that the situation is complex, it is equally clear that religion is a substantial cause of the conflict, specifically the attempt on the part of successive governments in Khartoum to Islamicize the South. To a question by Representative Gilman regarding persecution of non-Muslims, Chairman Young noted that part of the problem has been attempts to use food distribution as a way to force conversion to Islam. Chairman Young also noted that Muslims in the North have been subject to severe persecution if they do not follow the version of Islam that the government promulgates. To a question by Representative Leach, Chairman Young responded that the Commission strongly supports capital market sanctions. Chairman Young described the recommended sanctions as very narrowly targeted. Not only does part of the recommended proposals relate merely to disclosure but the range of countries to be looked at is incredibly small. As such, the Commission believes them warranted in the face of a war of genocidal proportions that is facilitated by access to U.S. capital markets. Elaborating further in response to a follow-up on capital market sanctions by Representative Flake, Chairman Young reiterated that at least part of these sanctions really are not sanctions in the classic sense but simply disclosure requirements. Chairman Young recalled that, in a written response to

a Commission inquiry, Acting SEC Chairman Laura Unger had favored the notion of disclosure, at least in original SEC filings, for countries on the OFAC sanction list already in light of the very significant political risks in these countries. Chairman Young further explained that the House version of the Sudan Peace Act would extend disclosure to include Sudan, a country that has been designated as one of the Countries of Particular Concern, a designation in the control of the State Department.

Felice D. Gaer, Chair

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